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2008 JUL -1 A 8:04

AZ CORP COMMISSION

Appaloosa Water Company

Amendment to Rate Application

File Number

W-03443-A-08-0313

Attachment is for changes made to Pages 9 and 11 of Rate Application and notarized notification to customers of rate application in their June billing as well as published in local newspaper.

Arizona Corporation Commission
DOCKETED

JUL - 1 2008

DOCKETED BY	<i>mm</i>
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Arizona Corporation Commission
Attn: Carmen Madrid
602- 542- 2129 fax

RE: Appaloosa Water Notification to Customers of Rate Increase

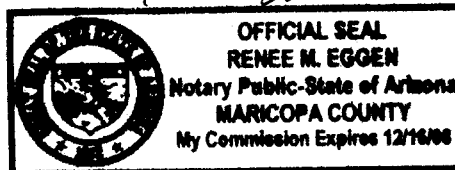
Dear Mrs. Madrid:

This notarized document is to provide verification that the attached documents, which include a copy of the "Customer Notification" Letter which was printed in the June 18th, 2008 Legal Section of the Chino Valley Review and Pages 9 and 11 of the Rate application was/were sent to all of the customers of Appaloosa Water in the June 2008 billing which was mailed and postmarked on July 1, 2008.

Thank you,

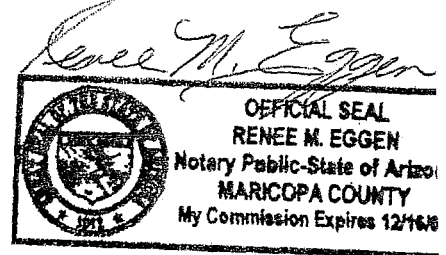

Tony Cordovana

Witnessed this 30th Day of June 2008 by  Notary Public of
Arizona



WITNESSED THIS 18th DAY OF JUNE 2008

6/18/08



CUSTOMER NOTIFICATION

Appaloosa Water Company has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since April 1998. An increase in rates is necessary at this time to meet new requirements to construct an arsenic water treatment facility, an increase in postal rates, an increase in staff wages, an increase in property taxes and to allow Appaloosa Water Company an opportunity to recover negative financial growth. Based on the company's un-audited 2007 Test Year results, Appaloosa Water Company realized an operating loss of \$2,734. The company is requesting a revenue increase of 100% of total revenues. Please refer to pages 8 and 10 of the application for current and proposed rates.

The application is available for inspection during regular business hours at the offices of the Commission in Phoenix, AZ at 1200 West Washington Street or online at <http://edocket.azcc.gov/edocket/> and at Appaloosa Water Company 1460 West Road 4 North Chino Valley AZ 86323. Please be advised that the rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application.

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's Application including service, billing procedures, or other factors important in determining the reasonableness of charges. Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 602-542-4251.

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, customer comments submitted in writing will be placed in the office file, which the Commission reviews prior to making its final decision on the Application. It is important that customers contact the Commission within 15 days of the receipt of this notice so that the Commission's Staff can consider customer comments and concerns in developing its recommendations to the Commission.

THIS NOTICE WAS PRINTED IN THE
JUNE 18th, 2008 LEGAL SECTION OF THE
CHINO VALLEY REVIEW. THIS PAPER IS NEWSPAPER
FOR ALL OUR CUSTOMERS.

COMPANY NAME: <u>APPALOOSA WATER COMPANY</u>	Test Year Ended: <u>2007</u>
Name of System: <u>APPALOOSA WATER CO.</u>	ADEQ Public Water System Number: <u>13708</u>

CURRENT AND PROPOSED RATES AND CHARGES

CUSTOMER CLASS: ☒ Residential ☐ Commercial ☐ Industrial
☐ Irrigation ☐ All ☐ Other, specify _____

	CURRENT RATES	PROPOSED RATES
MINIMUM OR SERVICE CHARGES	\$ GALLONS	\$ GALLONS
5/8" x 3/4" Meter	25. ⁰⁰ for 1000	50. ⁰⁰ for <u>FIRST</u> 1000
3/4" Meter	25. ⁰⁰ for 1000	50. ⁰⁰ for <u>FIRST</u> 1000
1" Meter	41.67 for 1000	83.34 for <u>FIRST</u> 1000
1-1/2" Meter	83.33 for 1000	166.66 for <u>FIRST</u> 1000
2" Meter	133.33 for 1000	266.66 for <u>FIRST</u> 1000
3" Meter	266.67 for 1000	533.34 for <u>FIRST</u> 1000
4" Meter	416.67 for 1000	833.34 for <u>FIRST</u> 1000
6" Meter	833.33 for 1000	1666.66 for <u>FIRST</u> 1000

* STAND PIPE / BULK WATER PER 1000 GAL N/A

GALLONS IN EXCESS OF MINIMUM
Commodity Charge in Excess of Minimum (Charge Per 1,000 Gallons)
First Tier
Second Tier
Third Tier
FLAT RATE

Current Rates		Proposed Rates	
Rate	Gallons	Rate	Gallons
\$ <u>2.50</u>	Up to <u>1000</u>	\$ <u>5.00</u>	<u>PER 1000</u>
\$	_____ to _____	\$ <u>ADDITIONAL</u>	_____ to _____
\$	Over _____	\$	Over _____
\$ <u>N/A</u>	Per Month	\$ <u>N/A</u>	Per Month

Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.

COMPANY NAME: <u>APPALCOOSA WATER COMPANY</u>	Test Year Ended: <u>2007</u>
Name of System: <u>APPALCOOSA WATER CO.</u> ADEQ Public Water System Number: <u>13208</u>	

CURRENT AND PROPOSED SERVICE CHARGES

CUSTOMER CLASS: ☒ Residential ☐ Commercial ☐ Industrial
☐ Irrigation ☐ All ☐ Other, specify _____

SERVICE LINE AND METER INSTALLATION CHARGES	CURRENT CHARGES	PROPOSED CHARGES
5/8" X 3/4" Meter	\$ 400 ⁰⁰	\$ 800 ⁰⁰
3/4" Meter	\$ 440 ⁰⁰	\$ 880 ⁰⁰
1" Meter	\$ 500 ⁰⁰	\$ 1000 ⁰⁰
1-1/2" Meter	\$ 715 ⁰⁰	\$ 1430 ⁰⁰
<u>COMPOUND</u> <u>TURBO</u> 2" Meter	\$ 1170 ⁰⁰ <u>1700⁰⁰</u>	\$ 2340 ⁰⁰ <u>3400⁰⁰</u>
<u>COMPOUND</u> <u>TURBO</u> 3" Meter	\$ 1585 ⁰⁰ <u>2190⁰⁰</u>	\$ 3170 ⁰⁰ <u>4380⁰⁰</u>
<u>COMPOUND</u> <u>TURBO</u> 4" Meter	\$ 2540 ⁰⁰ <u>3215⁰⁰</u>	\$ 5080 ⁰⁰ <u>6430⁰⁰</u>
<u>COMPOUND</u> <u>TURBO</u> 6" Meter	\$ 4815 ⁰⁰ <u>6270⁰⁰</u>	\$ 9630 ⁰⁰ <u>12,540⁰⁰</u>
AFTER HOURS SERVICE CHARGE, PER HOUR \$50 ⁰⁰		\$ 100 ⁰⁰
Establishment (R14-2-403.D.1)	\$ 25 ⁰⁰	\$ 50 ⁰⁰
Establishment (after hours) (R14-2-403.D.2)	\$ 50 ⁰⁰	\$ 100 ⁰⁰
Reconnection (delinquent) (R14-2-403.D.1)	\$ 30 ⁰⁰	\$ 60 ⁰⁰
Reconnection (delinquent) after hours	\$ 50 ⁰⁰	\$ 100 ⁰⁰
Meter Test (R14-2-408.F.1)	\$ 15 ⁰⁰	\$ 30 ⁰⁰
Deposit (R-14-2-403.B.7)	\$ PER RULE	\$ 100 ⁰⁰
Deposit Interest	PER RULE %	0 %
Re-establishment (within 12 months)	\$ MONTHS OFF SYSTEM	\$ 50 ⁰⁰
NSF Check (R14-2-409)	\$ 10 ⁰⁰	\$ 20 ⁰⁰
Deferred Payment (PER MONTH)	PER RULE %	PER RULE %
Meter Re-read (R14-2-403.C.2)	\$ 15 ⁰⁰	\$ 30 ⁰⁰
Late Fee (PER MONTH)	\$ 1.5% OF OUTSTANDING	\$ 3% OF OUTSTANDING
CHARGE FOR MOVING METER	ACTUAL COST	ACTUAL COST
MAIN LINE EXTENSION	ACTUAL COST	ACTUAL COST